

**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

Docket Number (Optional)

125524

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on \_\_\_\_\_

Signature \_\_\_\_\_

Typed or printed name \_\_\_\_\_

Application Number

09/802,223

Filed

March 8, 2001

First Named Inventor

Christopher Keith

Art Unit

3695

Examiner

O.O. Oyeibisi

Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).

Note: No more than five (5) pages may be provided.

I am the

☐ applicant/inventor.

/Kevan L. Morgan/

☐ assignee of record of the entire interest.  
See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed.  
(Form PTO/SB/96)

Signature

Kevan L. Morgan

Typed or printed name

☒ attorney or agent of record.  
Registration number 42,015

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☐ attorney or agent acting under 37 CFR 1.34.

July 19, 2010

Registration number if acting under 37 CFR 1.34 \_\_\_\_\_

Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required.  
Submit multiple forms if more than one signature is required, see below.

☒ \*Total of 3 forms are submitted.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: C. Keith Attorney Docket No.: 125524  
Application No.: 09/802223 Art Unit: 3695 / Confirmation No.: 6685  
Filed: March 8, 2001 Examiner: O.O. Oyebisi  
Title: AUTOMATED PREFERENCES FOR MARKET PARTICIPANTS

PRE-APPEAL BRIEF REQUEST FOR REVIEW

Seattle, Washington 98101

July 19, 2010

Applicant respectfully submits that clear error exists in the final Office Action mailed February 18, 2010, and that a request for a pre-appeal brief conference is appropriate in this instance. Claims 1-48, which are pending in the application, were rejected either as being anticipated by US 2003/0014379 ("Saia") or as being unpatentable over US 2002/0004774 ("Defarlo")<sup>1</sup> in view of US 6,317,728 ("Kane"), and in some cases, further in view of Saia.<sup>2</sup>

The claim rejections are in error as they are not supported by the disclosure in the cited art. Applicant respectfully traverses the claim rejections and requests withdrawal of the same.

Procedural History

On April 20, 2010, the undersigned counsel conducted a telephone interview with the Examiner in which the deficiencies of the cited art were acknowledged and understood. It was agreed that applicant would formally submit a response after final, upon which the Examiner would conduct a further search to confirm the patentability of the claims.<sup>3</sup>

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<sup>1</sup> The final Office Action frequently referred to "Defario." Applicant interprets these references to instead refer to "Defarlo."

<sup>2</sup> On pages 7-13, the final Office Action rejected Claim 1 as being unpatentable over Defarlo and Kane in view of Saia, but did not address Claim 1. Instead, Claim 1 was addressed in the section on pages 5-6. Applicant thus interprets this latter section of the Office Action as applying to Claims 2-16, 24-36, and 40.

<sup>3</sup> With this response, only a minor amendment was presented with respect to Claim 37 (replacing "tangible" with "non-transitory") to conform to current practice of the U.S. Patent and Trademark Office (see "Subject Matter

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An amendment after final was filed on May 7, 2010. An Advisory Action thereafter issued on July 7, 2010, indicating that the amendment would not be entered. However, in a follow up telephone conference with the Examiner on July 9, 2010, the Examiner clarified that the Advisory Action did not take into account the understanding achieved in the April 20, 2010, interview, and that further consideration would be given to the application.

In order to preserve the opportunity for the Examiner to confirm the patentability of the claims without resulting in any further delay on applicant's part, a notice of appeal is submitted herewith, along with the present request for a pre-appeal brief conference.

Patentability of Claims 17-22, 37-39, 41, and 42 Over Saias

Saias does not support a *prima facie* anticipation rejection of Claims 17-22, 37-39, 41, and 42. The claim rejections are in error for at least the following reasons.

Claim 17 recites a method of facilitating trading that includes, in part, "automatically . . . receiving a designation of anonymous from a first trading process" and "automatically . . . facilitating a trade between the first trading process and a second trading process by providing the second trading process with a rating for the first trading process, *wherein the second trading process remains unaware of the identity of the first trading process and yet is able to obtain, from the market process, a rating for the first trading process, and wherein the rating is descriptive of the first trading process as a trading party.*" (Emphasis added.)

As discussed with the Examiner in the interview and in applicant's amendment after final, Saias refers to an "automated market" that seeks to maximize the joint satisfaction of buyers and sellers. Each of the buyers and sellers submit various terms to the automated market in order to make a trade. The terms, or "trading preferences," are subject to negotiation and if the automated market can reconcile compatible buyers and sellers and maximize their joint satisfaction based on the submitted terms, a trade may be consummated.

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Eligibility of Computer Readable Media," David J. Kappos, January 26, 2010). No other claims were amended, added, or canceled.

In rejecting Claim 17, the Office Action (page 17) did not accurately quote the language of Claim 17, and further, the Examiner's reliance on Saias is misplaced. The terms, or "trading preferences," of Saias describe what is being traded, for example, the price and quantity of the items(s) being traded. The trading preferences of Saias are not "descriptive of the first trading process as a trading party," as claimed in Claim 17.

The assertion on page 16 of the Office Action that organizations and firms in Saias can "anonymously submit terms of a favorable exchange" has no bearing on the patentability of Claim 17. Claim 17 does not concern anonymous submission of trading terms for an exchange.

According to Saias, the trading terms that are received by the automated market from buyers and sellers are *not communicated between the parties*. The trading terms form multi-dimensional "preference surfaces" (see, e.g., paragraph [0320]) which are not disclosed to the respective parties in the trade. As explained at paragraph [0317], *"none of the surfaces will be available for inspection or analysis by any other market participant, or any third party."* Saias not only fails to suggest the subject matter in Claim 17, it also teaches away from Claim 17. According to Claim 17, the second trading process is provided with information concerning the party on the other side of the trade, namely, "a rating for the first trading process."

In addition, Claim 17 recites "wherein the rating is based on a statistical analysis of the outcome of prior trades between the first and second trading processes." Other than broadly cite paragraphs [0310]-[0311] and [0317] of Saias, the Office Action did not specifically identify which portion(s) of Saias allegedly disclose the above-quoted feature of Claim 17.

Claims 18 and 37 are patentable over Saias for reasons similar to those discussed above, among other reasons discussed in applicant's amendment after final. The rejection of Claims 17, 18, and 37, and the claims that depend thereon, should be withdrawn.

#### Patentability of Claims 1, 23, and 43 Over Defarlo in View of Kane

In the above-noted telephone interview, it was acknowledged that Defarlo and Kane do not support a *prima facie* obviousness rejection of Claims 1, 23, and 43.

Defarlo describes a system that calculates certain trade statistics for a trader or firm of traders on *only one side* of the trades in which they engage. This does not constitute "automatically determining from the captured data whether each of the market participants [in a trade] has gained money or lost money from the trade in which they engaged," where "one of the market participants is engaged in the trade as a buyer and the other of the market participants is engaged in the trade as a seller," as claimed in Claim 1. In other words, Claim 1 involves capture and review of data for both sides of a trade between the buyer and the seller in the trade.

The Office Action asserted "that a data analysis system, as taught by Defarlo, performs the calculation of market participant's winning and losing positions (see paragraph[0079])." This argument is, however, not commensurate with the scope of Claim 1. In all instances of Defarlo's disclosure, the trading positions are tracked only for *individual* market participants or traders. Even in cases where the system may be used by multiple traders in a firm, it is the individual traders' side of the trades that is tracked.

Kane discloses a computerized system with "agents" that provide trading "suggestions" or "recommendations" to a *trader on one side of a trade* to help the trader make a *future decision* whether to enter into a trade. The "suggestions" or "recommendations" are taken as "votes" toward an ultimate decision by the executing device 11 whether to trade, and if so, whether to buy or sell. See, e.g., Col. 5, lines 35-55, of Kane. The plurality of agents disclosed by Kane do not constitute "market participants" in the context of Claim 1. As recited in Claim 1, "market participants" are "each parties to the trade, . . . wherein one of the market participants is engaged in the trade as a buyer and the other of the market participants is engaged in the trade as a seller."

Further, the Office Action (page 6) expressly conceded that "Defarlo fails to disclose automatically updating a preference rating for each of the market participant[s] based on the determination of whether money was gained or lost from the trade." Instead, the Office Action relied on Kane as allegedly teaching this element of Claim 1. Applicant disagrees.

To the extent a trader using Kane's system, at the conclusion of the trade, updates "merit quotients" to rate his or her own agents for their prior votes to buy or sell, these merit quotients are not "rating[s] for each of the two market participants," as recited in Claim 1. Kane's agents do not exchange items with other agents as a result of a trade. They only provide buy or sell votes to the trader. It is incorrect to consider Kane's agents as "market participants," as claimed.

As can be seen above, some of Kane's agents may have voted for a position ultimately taken by the trader, and some of Kane's agents may have voted against the trader's position. Each of Kane's agents will be "rewarded or punished" for their respective votes, depending on the outcome of the trader's position. Nevertheless, as discussed in the telephone interview, none of Kane's agents are parties to the trade. Only the trader is engaged in the trade. The trader, whether automated or human, is simply being advised by the votes of each agent.

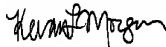
The Office Action (page 6) did not address Claims 23 and 43 in any detail. Rather, Claims 23 and 43 were rejected "using the same art and rationale as in claim 1." Applicant has shown above that Claim 1 is not obvious in view of Defarlo and Kane. Accordingly, the rejection of Claims 23 and 43 is likewise erroneous and should be withdrawn.

Patentability of Claims 44-48

The Office Action did not address the elements of Claims 44-48. Therefore, the rejection of Claims 44-48 is in error and the claims should be allowed.

Respectfully submitted,

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